



Panhandle News

BENEWAH, BONNER, BOUNDARY, KOOTENAI & SHOSHONE COUNTIES

ECONOMIC TRENDS

In Kootenai County, February and January generally take turns posting the lowest employment during the year. This year, January won the dubious honor as employment, unadjusted for seasonal factors, slipped to 63,570. Bolstered by continued expansion of construction, educational services and health care, employment rose slightly to 64,640 in February.

Although Kootenai County's economy is not likely to continue growing at the record-breaking rates of the last two years, it appears set to enjoy significant job gains in 2006. Construction remains higher than it was at the same time last year, although it is likely to slow toward the end of 2006. Manufacturers plan to add a couple of hundred jobs this year, possibly more, as do call centers. The tourism industry is primed for its best season ever. With population growing at its fastest clip in 10 years, tourism expanding and a surge in summer residents, retail and service payrolls should also expand.

Kootenai County also will benefit from the expansion of neighboring counties in Idaho. Shoshone and Bonner counties will again probably see the biggest jobs gains in the region as they did in 2005. With the price of silver more than double two years ago and growing interest in housing, Shoshone County seems sure to be a winner in 2006. Bonner County's construction and real estate booms in percentage terms are even hotter than Kootenai County's, and its manufacturers and corporate headquarters continue to expand at impressive rates. In Boundary County, tourism is on the rise, especially after last year's expansion of the Kootenai River Inn. The new owner of the former CEDU schools, Idaho Educational Services, is gradually increasing employment at the three schools for troubled teens that were abruptly shut down a year ago by the

Panhandle Table 1: Coeur d'Alene MSA Labor Force & Employment Kootenai County

	Feb 2006*	Jan 2006	Feb 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	69,190	67,410	64,060	2.6	8.0
Unemployed	2,500	2,490	2,910	0.4	-14.1
% of Labor Force Unemployed	3.6	3.7	4.5		
Total Employment	66,690	64,920	61,150	2.7	9.1
Unadjusted					
Civilian Labor Force	68,180	67,120	63,460	1.6	7.4
Unemployed	3,540	3,550	4,110	-0.3	-13.9
% of Labor Force Unemployed	5.2	5.3	6.5		
Total Employment	64,640	63,570	59,350	1.7	8.9
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	51,460	51,010	49,020	0.9	5.0
Goods-Producing Industries					
Natural Resources & Mining	440	460	370	-4.3	18.9
Construction	5,130	5,120	4,500	0.2	14.0
Manufacturing	4,620	4,640	4,390	-0.4	5.2
Wood Product Manufacturing	980	960	1,000	2.1	-2.0
Other Manufacturing	3,640	3,680	3,390	-1.1	7.4
Service-Providing Industries					
Trade, Transportation, & Utilities	9,480	9,490	9,060	-0.1	4.6
Wholesale Trade	1,430	1,400	1,280	2.1	11.7
Retail Trade	7,090	7,110	6,840	-0.3	3.7
Transportation, Warehousing & Utilities	960	980	940	-2.0	2.1
Information	980	1,010	1,050	-3.0	-6.7
Financial Activities	2,800	2,790	2,480	0.4	12.9
Professional & Business Services	5,660	5,610	5,700	0.9	-0.7
Educational & Health Services	5,530	5,390	5,180	2.6	6.8
Leisure & Hospitality	5,860	5,800	5,680	1.0	3.2
Other Services	1,480	1,440	1,380	2.8	7.2
Government Education	3,800	3,550	3,730	7.0	1.9
Government Administration	5,040	5,070	4,910	-0.6	2.6
Government Tribes	640	640	590	0.0	8.5

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Brown Schools Enterprises. Those developments should make for employment gains in Boundary County in 2006 after two years of no growth. Although 2004 and 2005 were discouraging, it actually was amazing that the county managed to hold its own after losing two of its largest employers — the Louisiana-Pacific mill in Bonners Ferry and CEDU — between the summer of 2003 and the spring of 2005. Benewah County will see more construction activity this year than it has seen ever. If lumber and plywood prices do not slide, retail and services are expected to pick up, and the county can always count on the Coeur d'Alene Tribe to add a dozen or so jobs.

AREA DEVELOPMENTS

Benewah County

- The city of Plummer, whose population declined from 990 in 2000 to 962 in 2005, is another Panhandle community anticipating a population surge. Since New Year's, the city has heard proposals for four new housing developments. One will go up immediately on 140 acres just south of the current city limits if the city annexes the area. Another project that depends on annexation is a 27-acre development, which may include a business park, along Highway 95 north of the current city limits. One of the most recent proposals calls for building 480 houses in four phases of 120 each. Rising housing and land prices in Coeur d'Alene and Spokane, which both are about 40 miles away, have greatly increased the attractions of Benewah County's more affordable market. In addition, the commute is becoming easier as a result of ongoing improvements along U.S. Highway 95 between Plummer and Coeur d'Alene and the free bus service provided by the Coeur d'Alene Tribe from Tensed and Plummer to Coeur d'Alene and Post Falls.
- The Idaho Legislature gave Heyburn State Park \$2.2 million to make improvements. Heyburn State Park, which will celebrate its 100th anniversary in 2008, is the oldest park in the Pacific Northwest. It includes 5,500 acres of land and 2,300 acres of water in three lakes—Chatcolet, Benewah and Hidden. The shadowy St. Joe River meanders along the park's eastern boundary. For bikers and walkers traveling all 79 miles of the Trail of the Coeur d'Alenes between Plummer and Mullan, Heyburn is the beginning or end of the trail. Among the proposed changes at the park are overdue maintenance, construction of a visitors center at Chatcolet, building log cabins and renovating and reopening the Rocky Point Lodge for overnight guests.

Bonner County

- Bonner County commissioners recently approved expansion of Hidden Lakes Golf Resort, a 1,600 acre development eight miles east of Sandpoint near Lake Pend Oreille. The Hidden Lakes expansion will include up to 300 new housing units and replacement of the existing 18-hole golf course with one designed by golf legend Jack Nicklaus. Hidden Lakes already had approval for 171 housing units, bringing the total to 471.
- Five local governmental entities in the greater Sandpoint area recently received a \$271,000 Local Highway Technical Assistance Council grant to develop a comprehensive transition plan. The cities of Dover, Sandpoint, Kootenai and Ponderay will work with the

Independent Highway District to develop and prioritize road projects. The city of Sandpoint will serve as the grant's administrator.

- Construction recently began on the fourth building at the Seasons at Sandpoint development on the north shore of Lake Pend Oreille in downtown Sandpoint. Developer Bella Vista Group Inc. of Tampa, Fla., says the 42-unit building probably will be completed by May 2007. The condos are expected to sell for \$500,000 to \$1.4 million each. The development's clubhouse is slated to open in late May. The other two buildings nearing completion contain 30 condominium units in total. Bella Vista expects the development eventually will contain eight condominium buildings.
- Harrison Dock Builders recently announced that it will relocate from Florence, Ore., to Bonner County. The company specializes in building commercial and residential docks. It is expanding its sales region throughout Idaho, Washington, Oregon, Montana and western Canada. Its manufacturing operations will move to downtown Priest River while its water operations, including a tug and a crane barge, will operate on Lake Pend Oreille. Harrison Dock Builders is owned by the same company that owns Eagle Marine Supply in Sagle, a community on Lake Pend Oreille 10 miles south of Sandpoint. It identified Bonner County as a strategic location for its regional business based on the success of Eagle Marine Supply. Its retail store at Sagle sells boat lifts, floating docks, dock ramps, dock accessories and related products while meeting the needs of wholesale customers throughout the Inland Northwest. Eagle Marine Supply will expand its services once Harrison Dock Builders relocates. The new company expects to hire 15 to 20 people with experience in manufacturing, welding, driving piles, captaining boats and installing docks.
- Mitchell's Harvest Foods recently celebrated the completion of the expansion and remodeling of its store in Priest River. Construction, which began last fall, included café-style seating near the bakery/deli area with a fireplace creating a warm ambience. The expansion allowed the grocery store to enlarge its selection of items, microbrews and wines and introduce \$1 items including greeting cards, household goods and gift items.
- John Connors, who gained restaurant experience in Japan, recently opened Sunny Sushi, a restaurant specializing in sushi in Sandpoint. The restaurant is open from 11 a.m. to 2 p.m. on Fridays and Saturdays.

Boundary County

- Bonners Ferry recently welcomed a new addition to its downtown business community. Heather Foster's

Photo is a one-hour photo shop offering digital developing and reprints.

Kootenai County

- Kootenai Medical Center, the largest employer in the Panhandle with 1,650 employees, plans to continue its expansion. It currently is completing the remodel of all its patient rooms, the lobby and other common areas. It plans to spend \$200 million over the next 10 years to expand the hospital. One of its first projects will be construction of a \$12 million building to house accounting, social services, human resources, purchasing, the sleep lab and other support services. Last fall, the hospital completed construction of a 400-space parking garage. It is planning a second new garage before 2016. The hospital will spend about \$118 million to replace the original 1966 structure and create more clinical space. The final phase will be construction of new physician office buildings.
- With the population around Athol growing quickly, Cindy Peterson and her sister-in-law Linda Peterson decided the city of 700 residents needed a grocery store. Last August, they opened the Little Town Market to offer basics that locals might need between trips to the nearest supermarket 20 miles south on U.S. Highway 95 in Hayden. In addition to milk, eggs, fresh produce and other staples, the market sells beer, wine, live bait and flowers. It shares a brand new building with Big Boyz Toyz, run by the husbands of the grocery's founders, Terry Peterson and Rodger Peterson. Big Boyz Toyz repairs and sells snowmobiles, motorcycles, ATVs and related accessories.
- New business is booming in Coeur d'Alene. Textures at 107 Second St. sells paintings, hand-decorated glassware and custom clothing and jewelry created by owner Shannon Erwin. Syringa Japanese Café & Sushi Bar is located in the former Tartan Café at 1401 N. Fourth St. Boucle's, a yarn store, recently opened at 116 N. Fourth St. A new full-service branch of Mountain West Bank at 1715 Kathleen Ave. offers personal banking in comfortable surroundings with special cash-handling technology. Shoppes of Harmony offers dolls, pottery, ceramics and a wide variety of other gift items and shopping services at 205 Indiana Ave. Rapid Sports at 6288 N. Government Way sells kayaks, rafts and accessories for whitewater and fishing enthusiasts. The Beacon is a 3,200-square-foot pub at 325 Sherman Ave. next to its sister business, the Brix Restaurant & Night Club.

Shoshone County

- The new phrase for "speedy" in Shoshone County could become "faster than Silver Mountain sells condos." When Silver Mountain Resort in Kellogg first

offered condominium units built near its ski area's Morning Star Lodge two years ago, the condos sold within five days, astonishing experts with the speed of the sale. The second phase offered last year sold out in one day and so did the third phase which was offered April 8. It involves 99 condominium units, which are still under construction. The long-term plan for Silver Mountain includes an indoor water park that is slated to open in spring 2007, an 18-hole golf course near the gondola base and further expansion of the ski area and its trails.

- U.S. Silver Corp. recently purchased the 53-year-old Galena Mine from Coeur d'Alene Mines Corp. for \$13 million. U.S. Silver Corp., based in Wallace, was formed specifically to acquire the 11,000 acres that contain Galena and the former Coeur mine and ore mill. It expects to keep the 180 Galena miners after the sale closes on June 1. The new owner is heartened by rising prices for zinc and copper, which are by-products of the Galena operation, as well as the 23-year-high price for silver, which recently rose over \$12.50 an ounce. Last year, the Galena produced 2.1 million ounces of silver. U.S. Silver plans to spend heavily on exploration, believing the mine has the potential to produce a few million more ounces per year. The Galena currently is the county's third largest private employer.
- Wal-Mart recently broke ground on a 99,667 square-foot supercenter with retail, grocery and gardening segments just outside Smelterville south of Interstate 90. The 13.2-acre site will contain a 584-space parking lot and may include a gas station. The Wal-Mart store, Shoshone County's first big-box store, will open in early 2007.
- Beehive Homes opened an assisted living center in Pinehurst in March. Residents of the retirement community receive 24-hour care, three meals a day and opportunities for exercise classes, excursions, recreational activities and performances. Each unit has a private bedroom with a bathroom. When the current building is full, about 15 people will live there, and 15 staff members will care for the residents. Once the first building is full, a second building will be constructed.

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